



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA
www.rbi.org.in

RBI/2013-14/385

DBOD.No.Dir.BC. 69/13.03.00/2013-14

November 29, 2013

To
All Scheduled Commercial Banks
(Excluding RRBs)

Dear Sir / Madam

Periodicity of Payment of Interest on Rupee Savings/Term Deposits

Please refer to paragraph 23 of the Second Quarter Review of Monetary Policy 2013-14 announced on October 29, 2013 (extract enclosed) on periodicity of payment of interest on savings and term deposits.

2. In this connection, a reference is also invited to paragraph 2 (ii) of our circular DBOD.No.Dir.BC.46/13.03.00/2000-2001 dated November 4, 2000 on 'Interest Rates on Rupee Deposits held in Domestic, Ordinary Non-Resident (NRO), Non-Resident Special Rupee (NRSR) and Non-Resident (External) (NRE) Accounts' whereby banks were advised to pay interest on savings and term deposits at quarterly or longer rests. As banks are functioning on core banking platform, it has been decided to review the above instructions. Accordingly, banks will now have the option to pay interest on Rupee savings and term deposits at intervals shorter than quarterly intervals.

3. The above revised instructions are applicable to domestic Rupee deposits including Ordinary Non-Resident (NRO) and Non-Resident (External) (NRE) savings and term deposits. As regard FCNR(B) deposits, the existing guidelines issued in this regard will remain unchanged.

बैंकिंग परिचालन और विकास विभाग, केंद्रीय कार्यालय, 13 माला, शहीद भगतसिंह मार्ग, मुम्बई 400001

Department of Banking Operations and Development, Central Office, 13th floor, NCOB, Shahid Bhagat Singh Marg, Mumbai - 400001
Tel No: 91-22-22601000 Fax No: 91-22-22701241 Email ID:cgmicdbodco@rbi.org.in

हिंदी आसान है, इसका प्रयोग बढ़ाइए

4. All other instructions in this regard, as amended from time to time, will remain unchanged.

Yours faithfully

(Rajesh Verma)
Chief General Manager

Encl: As above

Extract of Second Quarter Review of Monetary Policy 2013-2014

Periodicity of Payment of Interest on Rupee Savings/Term Deposits

23. As per extant instructions, banks are required to pay interest on savings deposits and term deposits at quarterly or longer intervals. As all commercial banks are now on core banking platforms, it has been decided to:

- give banks the option to pay interest on savings deposits and term deposits at intervals shorter than quarterly intervals.